



Congressman

**Wally
Herger**

Reports from Washington

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Volume Two



Dear Friends:

This spring, I held a series of ten Town Hall meetings throughout our Northern California Congressional District. Thank you for taking time out of your busy schedule to share your views with me. I'd also like to thank the thousands of Northern Californians who returned the questionnaire printed in the last newsletter. Your input is crucial for effective representation in Washington.

The 106th Congress has accomplished much this year. By a vote of 420-2, the House recently passed my Social Security and Medicare Safe Deposit Lockbox Act of 2000. This legislation would ensure that Medicare surpluses, which will amount to \$126 billion over the next five years, are not spent on unrelated programs. This measure follows the Social Security Lockbox I authored, which created a similar mechanism for Social Security surpluses and was key to Congress' successful effort to balance the federal budget for the second straight year without raiding the Social Security Trust Fund. The House made history by passing a Medicare prescription drug benefit. Currently, nearly 30% of all Medicare recipients lack prescription drug coverage. Our bipartisan legislation rectifies this situation and is affordable, available, and voluntary for all Medicare beneficiaries.

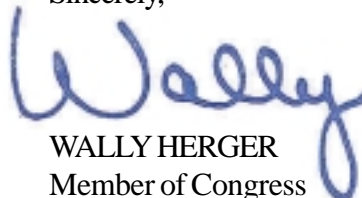


The House also made significant progress in improving our tax code. First, I joined with a majority of House members to repeal the unfair tax on married couples. The House then voted unanimously to repeal the Seniors Earning Limit Tax, legislation that was quickly signed into law. I also voted to repeal the 3% telephone excise tax. Today this tax effects 252 million American households. In June, the House voted by a two-to-one margin to repeal the Death Tax, which hurts many of Northern California's individuals, small businesses and family farms.

I also continue to fight to protect Northern California's interests during the CALFED process. 80% of California's water originates in the North State, but our area will be called upon to provide water for Southern California residents, farmers and businesses. We must ensure that any CALFED plan protects our water rights and supports sensible water storage options that give the state more flexibility in drought and flood years.

Throughout this summer, Congress will continue working toward our most challenging goals: paying off the national debt, protecting Social Security and Medicare, strengthening education and bolstering our national security. As always, I encourage you to share with me your thoughts on what actions Congress should take on these and other issues.

Sincerely,


WALLY HERGER
Member of Congress

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Critical CALFED Update

More than five years ago, State and Federal agencies established the CALFED Bay-Delta Program - a joint State-Federal partnership created to restore environmental health and improve water management in the Sacramento-San Joaquin Delta. On June 9, Department of the Interior Secretary Bruce Babbitt and State of California officials publicly released the "CALFED Framework for Action," a blueprint plan for long-term implementation and substance of the CALFED program. Despite years of public and stakeholder involvement in the CALFED process, the Framework plan was ultimately devised by a small group of high-level State and Federal officials.



U.S. Geological Survey teams in dust traps at south end of what was once Owens Lake

Behind the bureaucratic spin is an extremely troubling document. **If implemented in its current form, it could carry potentially devastating consequences for water resources and land use control in Northern California.** In fact, the Regional Council of Rural Counties (RCRC) - a coalition of 28 rural California counties, including all ten counties in our Northern California Congressional District - has voted unanimously to "oppose it at all levels, with all available resources."

The concerns are many, and they are serious. There would be no real representation for Northern Californians - where nearly 80% of the state's water originates - in a process that will purportedly provide sweeping new water management policies for the next three decades. The CALFED governing board would consist of mostly non-elected government bureaucrats. The future of our counties could be dictated by a small group of

agency officials with enough regulatory and financial power to wreak havoc on our area, and we would be powerless to stop it.

The Plan is estimated to cost \$8.6 billion over just its first seven years. CALFED could continue purchasing land for "environmental restoration," further depleting the county tax rolls. It could engage in predatory water acquisitions from the Areas of Origin for the sole benefit of the Delta and Southern California water users. State and federal agencies would drive this process, and local elected officials would have no real say - even when the money is used to buy land or water in their county. Alarming, to facilitate a new groundwater management scheme, the current CALFED plan proposes to take away our counties' ability to plan and manage local groundwater resources, contrary to a landmark California Supreme Court decision and years of legal precedent upholding longstanding principles of local autonomy in groundwater management.

On its present course, the CALFED Framework could mean the systematic draining and devastation of our area. Like the Owens Valley tragedy nearly a century ago - when Los Angeles water agents quietly purchased 95 percent of the water rights to the Owens River - CALFED proposes a strategy of "willing sellers and willing buyers," potentially depriving Northern California counties of hundreds of thousands of acre feet of water annually. The Owens Valley eventually dried up. Trees kneeled over and crops turned to dust. Businesses closed and lives were left in ruins. Generations later, the citizens of the Owens Valley are still asking Los Angeles to make amends for the water diversions that dried up their Valley.

Like the ranchers and merchants of the Owens Valley, we, too, are being reassured that we have nothing to worry about. However, we must not stand passively by and allow our area to be slowly drained of its resources and turned into the next Owens Valley. As your federal representative, I am actively fighting this CALFED plan as currently proposed.

Congressman Herger leads a Press Conference on his Medicare Lockbox legislation just outside the U.S. Capitol. Also Rep. J.C. Watts, Rep. Ileana Ros-Lehtinen, Rep. J.D. Hayworth, Rep. Nick Smith, Rep. John Thune, and Rep. Tom Coburn.



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Herger Votes for Sensible Medicare Prescription Drug Benefit



Recently, I was pleased to join with a majority of my House colleagues to pass legislation creating a prescription drug benefit under Medicare. While the issue of prescription drugs has prompted a large amount of discussion and debate, I believe one point has become clear: The time to modernize the Medicare program has arrived.

When Medicare was created in 1965, medical science was almost primitive by today's standards. For example, prescription drugs were not a key component of medical care, and thus were not included as a benefit in the original Medicare program. Since Medicare's inception, participation in the program has grown from around 19 million beneficiaries to more than 39 million. Medical technology has grown, too. Doctors use prescription drugs to prevent, maintain or even cure hundreds of conditions and diseases. 86% of seniors used at least one prescription in 1995, and the average senior fills 18.5 prescriptions in a year.

The House is working to change Medicare for the better. On June 29, the House passed a bipartisan prescription drug plan that is affordable, available, and voluntary for all Medicare beneficiaries. This plan allows seniors to choose among different plans to find the coverage that best suits their unique medical needs. The plan also offers discount rates between 25-39% on prescription drugs. An average senior with \$2,000 in drug costs per year would save \$780. Regardless of which plan beneficiaries choose, every beneficiary will have catastrophic coverage that will pay 100% of drug costs beyond a certain level. This ensures that Medicare beneficiaries with extremely high drug costs can get the medicines they need without facing a financial disaster.

Now more than ever, older Americans need prescription drug coverage. Although already passed by the House, President Clinton has not yet supported this bipartisan plan. However, its passage is the first step toward improving the quality of life for our seniors. America's Medicare beneficiaries deserve nothing less.



Town Hall Meeting



Congressman Herger recently held town hall meetings throughout our Northern California district to discuss issues such as Social Security, education, debt reduction and national defense. Here, Wally takes time during the Susanville town hall meeting to chat with a young constituent.



Legislative Update

Congressman Herger:

Sponsored the "Social Security and Medicare Safe Deposit Box Act of 2000" (HR 4577) that Ensures that Medicare surpluses - an estimated \$126 billion over the next five years - are not spent on unrelated programs. This legislation supplements the Social Security lockbox authored by Herger and passed overwhelmingly in the House of Representatives last year. (Passed House June 20, 2000)

Cosponsored the "Marriage Tax Penalty Relief Act of 2000" (HR 4810) which provides substantial tax relief for the nearly 25 million couples who pay an average of \$1,400 more in taxes due to the marriage penalty tax. (Passed House and Senate, awaiting President's signature)

Voted for the "Individuals with Disabilities Education Act (IDEA) Full Funding Act of 2000" (HR 4055) that corrects a serious disparity in federal funding of the IDEA program by authorizing the federal government to fund 40 percent of the national average per student expenses for IDEA programs. Also authorizes IDEA part B programs, which covers school services for students with disabilities, beginning at \$7 billion in FY2001 and increasing \$2 billion annually through FY 2010 to a level of \$25 billion. (Passed House May 3, 2000)

Cosponsored the "Secure Rural Schools and Communities Self Determination Act" (HR 2389) that corrects an inequity in school funding receipts to provide a significant increase in funding to Northern California schools. The provision increases county funding from \$15,571,460 in FY1999 to an estimated \$37,468,479 in FY2001 for our ten-county congressional district. (Passed the House as part of the FY2001 Budget Resolution, April 13, 2000)

Congressman Herger's 2000 Congressional Questionnaire Results

Thousands of Northern Californians responded to the issues survey printed in the last edition of "Reports from Washington." I want to thank each of you who shared your views. Your input is very important in determining how I can better represent you in Congress. I have reprinted the questions and the results of this year's survey below.

1. The current Social Security earnings limit allows older Americans between the ages of 65 and 69 to earn up to \$17,000 without penalizing their benefits. Social Security benefits are reduced by \$1 for every \$3 earned in excess of the earnings limit. Do you believe that seniors should be allowed to work without experiencing a reduction in their Social Security benefits?

Yes 91.8% No 5.8% Undecided 2.4%

2. Do you believe that Congress is doing an adequate job of reducing waste, fraud and abuse in the federal budget?

Yes 4.6% No 85.0% Undecided 10.4%

3. The most recent budget estimates indicate that during the next ten years, the national budget will have a non-Social Security surplus of \$746 billion. Please rank, first, second, third, how you believe Congress should use this surplus.

A. 50.8% (Provide tax reform and relief)

B. 45.2% (Reduce the national public debt)

C. 4.0% (Increase spending on federal programs)

4. Under current tax law, nearly 25 million American married couples are taxed an average of \$1,400 more annually than they would be if they lived together without benefit of marriage. Congress is currently considering legislation to repeal this penalty. Should President Clinton sign such legislation into law?

Yes 94.6% No 4.4% Undecided 1.0%

5. Do you believe that the \$22 billion Medicare hospital benefit surplus projected for next year should be separated from the rest of the budget so it can be spent only on the Medicare hospital benefit program?

Yes 85.8% No 2.4% Undecided 11.8%

6. Are you in favor of creating reservoirs that would help store water in times of drought and also be used for flood control?

Yes 71.8% No 16.2% Undecided 12.0%

7. Do you believe that local individuals and groups, such as the Quincy Library Group - a local coalition of environmentalists, labor, local officials, forest products industry representatives, and concerned citizens - should have more input and control on how the federal government manages our local natural resources?

Yes 67.6% No 18.0% Undecided 14.4%

8. Do you believe there should be a sales tax ban on purchases made over the internet?

Yes 41.8% No 41.4% Undecided 16.8%

9. Would you support funding in the budget to provide additional training and equipment for our armed services?

Yes 74.0% No 14.6% Undecided 11.4%

10. Should the inheritance tax, which upon death, taxes individual's family owned businesses and farms be significantly reduced or eliminated?

Yes 93.2% No 3.8% Undecided 3.0%

11. Do you believe Americans should be able to use a portion of their Social Security payroll taxes to set up individually-controlled investment accounts?

Yes 59.4% No 22.8% Undecided 17.8%

12. Do you believe that the United States should enact trade policies that help to open foreign markets to U.S. products and services?

Yes 78.2% No 7.8% Undecided 14.0%

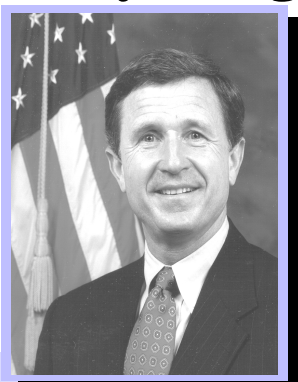
13. On the whole, do you believe President Clinton is doing a good job?

Yes 28.4% No 63.0% Undecided 8.6%

14. On the whole, do you believe Congress is doing a good job?

Yes 17.2% No 59.6% Undecided 23.2%

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